

## Swindon Borough Council Independent Remuneration Panel

### Review of Councillors' Allowances for 2017/2018 and future years

#### 1. Background

- 1.1. The Swindon Independent Remuneration Panel on Councillors' Allowances was originally established in 2001.
- 1.2. The Independent Remuneration Panel operates under the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003. These Regulations require that all councils should set up independent panels, and take account of their advice, before changing their Councillors' Allowances Scheme.
- 1.3. The Council's Standards Committee oversees the composition and appointments procedure associated with the establishment and maintenance of the Independent Remuneration Panel.
- 1.4. The Panel's recommendations on Councillors' Allowances for 2017/2018 and future years are attached at Appendix A. A summary of the costs associated with these proposals is set out in Appendix B. The Panel makes recommendations to Swindon Council's Cabinet, which in turn may make recommendations to the full Council.

#### 2. Membership

- 2.1. The membership of the Panel is as follows:

Mr Keith Strickland (Chair)	Lay Member
Mr Ram Thiagarajah	Lay Member
Mr David Wilkie	Lay Member
Mr John Dernie	Business Sector Representative
Ms Wendy Hall MBE	Voluntary / Community Sector Representative
Mr Gus Strang	Education Sector Representative

- 2.2. Mrs Vicki Yull, Committee and Member Services, acted as the support officer to the Panel in its work.

#### 3. The Conduct of the Review

##### Reasons for the Review

- 3.1. At its meeting on 12 June 2015, the Panel restated its previous position that the Council should be looking to seek to raise its allowances in comparison with the median levels paid at authorities in its former Audit Commission 'Family Group'. However, the Panel noted that trying to redress any significant deficit in a single financial year was likely to be problematic.

- 3.2. The Panel confirmed that it was supportive of maintaining the current position on allowances at that time, but suggested that a phased approach to raising allowances over time should be implemented. The Panel advised Council at its meeting on 23 July 2015 of its intention to undertake an extensive review of Councillors' allowances to inform a more comprehensive set of recommendations to the Council for 2017/2018 and future years.

#### Scope of the Review

- 3.3. The Panel considered the following issues as part of its review:
- 3.3.1. The level of Basic Allowance payable to all Councillors.
  - 3.3.2. The number, type and level of Special Responsibility Allowances.
  - 3.3.3. The payment of co-opted members Allowances / Special Responsibility Allowances.
  - 3.3.4. The scope and level of travelling, subsistence and dependant care allowances.
  - 3.3.5. The index linking of Councillor allowances to the percentage increases in pay awarded to local authority staff.

#### Research

- 3.4. The Panel undertook a programme of research to inform its review. The research included:
- 3.4.1. *Benchmarking*
    - The Panel considered the Basic Allowance and Special Responsibility Allowances paid by other authorities that could be considered to be part of the same 'Family Group' as Swindon Borough Council. These can be found in Appendix C.
    - The Panel also considered the levels of allowances paid in similar organisations across the Borough. These can be found in Appendix D.
  - 3.4.2. *Interviews*
    - The Panel invited the Leader of the Council and the Chief Executive for interview. Both were unable to attend and sent deputies to represent them (the Cabinet Member for Streetsmart and Highways, and the Deputy Chief Executive). The Panel sought their views on:
      - The Vision for Swindon, with particular focus on how Councillors' roles and responsibilities may be affected as a result of its implementation.

- Government plans for the devolution of decision-making to local government and any potential impact on Swindon Borough Council.
- The current levels of Basic Allowance and Special Responsibility Allowances.
- The Panel agreed the categories of Councillors whom they felt would provide a broad spectrum of thoughts and views. The Panel were particularly interested in meeting with Councillors who held posts which attract Special Responsibility Allowances, but also considered factors such as age, gender and length of service on the Council when determining whom to invite.
- The Panel held the interviews across the 8, 9 and 10 March 2016, and sought views on issues such as:
  - The time commitment involved in being a Councillor.
  - The appropriateness of the current level of the Basic Allowance.
  - The appropriateness of the current levels of the Special Responsibility Allowances.
  - The appropriateness of the posts currently attracting a Special Responsibility Allowance.
  - Other allowances, such as travel.
  - The accountability of Councillors receiving allowances, and whether it is possible to measure the performance and effectiveness of a Councillor.
- A summary of themes which arose during the interviews is attached at Appendix E.

#### 3.4.3. *Survey*

- The Panel considered the results from a survey that was distributed to Councillors seeking their views on the allowances paid at Swindon Borough Council, and other matters relating to their time spent on Councillor duties.
- A copy of the survey results is attached at Appendix F.

#### 3.4.4. *General research*

- Data and information were also collected on the operation of the current Councillors' Allowances Scheme, including details of the 2.2% increase in the 2015/2016 Municipal Year and the 1% increase in the 2016/2017 Municipal Year, both index linked to Local Government Officer Pay Settlements.

3.5. The Panel wishes to record its appreciation to those Councillors who completed the survey and, in particular, to those Councillors who agreed to be interviewed by the Panel. The information gained from these exercises was very helpful to the formulation of the Panel's recommendations.

## 4. Findings and Recommendations

- 4.1. The Panel's recommendations for Councillors' allowances for 2017/2018 and future years are set out in Appendix A to this report.

### Basic Allowance

- 4.2. There is a requirement placed upon Local Authorities to make provision for a Basic Allowance which must be paid at the same rate for all Councillors. Given the work already undertaken by this Panel to establish the reasonableness of the Basic Allowance for 2015/2016 and 2016/2017, the Panel stated its intention to use the 2016/2017 Basic Allowance of £7,959 as its starting point.
- 4.3. As a result of previous decisions by the Council not to increase Councillors' allowances, the Basic Allowance paid by Swindon Borough Panel has dropped significantly below the average paid by other authorities in its 'Family Group'. The Panel is of the opinion that the Council should be seeking to raise its allowances to bring them more in line with the median figures for the group.
- 4.4. The Panel has chosen to use the median value (the middle number in a sorted list of numbers) rather than the mean value (the average of a set of values) for this purpose because of the skewed distribution of data. The median value gives a more accurate central tendency in this instance (i.e. when the frequency of data does not lead to a symmetrical bell curve) because of occasional high remuneration figures like those of Wiltshire Council but a higher frequency of lower remuneration figures overall.
- 4.5. The Panel is recommending that the Basic Allowance be increased from £7,959 to £8,220 which brings it into line with the median figure for the family grouping (as set out in Appendix C). The Panel recognised that trying to redress this deficit in a single year was likely to be problematic so, to help reduce the impact, the Panel is proposing that the increase be phased in over a two year period, with the Basic Allowance being set at £8,090 for 2017/2018 and at £8,220 for 2018/2019.
- 4.6. The Panel is also recommending the continued index linking of percentage increases in the Basic Allowance to any percentage increases in the Local Government Officers Pay Settlement for a period of four years beginning in 2017/2018. The Panel believe that the index linking of these allowances will help avoid the need for significant catch-up increases in the future.

### Special Responsibility Allowances

- 4.7. The Panel considered the Regulations governing Special Responsibility Allowances and the categories of responsibilities which might call for an allowance. The Panel felt that the emphasis should be on the levels of responsibility of a role rather than the volume of work that might be associated with a role.

- 4.8. The Panel noted that all but two of the Special Responsibility Allowances paid by Swindon Borough Council were significantly lower than those paid by the comparable authorities in the family grouping. The Panel agreed that this was a concern, particularly when taking into account the view expressed by the majority of Councillors when interviewed that the Special Responsibility Allowances currently applied to the Leader of the Council and the Deputy Leader of the Council posts are too low.
- 4.9. The Panel wished to address this disparity by recommending the introduction of a system of Basic Allowance multiplication to calculate the level of Special Responsibility Allowance a post attracts. The Panel determined that it was minded to recommend that any increase in the amount paid to a post could be introduced in two equal phases over the next two years in line with the proposed increase to the Basic Allowance, but that any proposed decreases should take immediate effect. These proposals are set out in Appendix B.
- 4.10. Assessing the amount and level of additional or special responsibility for a particular post or role is not an exact science. The Panel makes no claim that the multipliers used by the Panel in its proposals are based on a precise calculation of the additional responsibilities of the posts to which they relate. However, the Panel thinks that the resulting differentials are fair. At the same time, the figures are closer to the median figures of the Family Group.
- 4.11. The Panel, having received and considered information on the responsibilities of the various Chairing roles which currently attract a Special Responsibility Allowance, and having taken into account comments made by individual Councillors when interviewed, determined that it was minded to recommend that the payment to all Chairs of Committees should be at the same amount to reflect the consistency of skills required to undertake the role.
- 4.12. The Special Responsibility Allowances payable to all 'regulatory' committees were reviewed and the comments made by Councillors when interviewed, or submitted in written form through the Survey, were noted. The Panel determined that, in the interests of parity and consistency, it was minded to recommend that members of the Planning Committee should be considered the same as members of the Licensing Committee, who currently receive a Special Responsibility Allowance which the Planning Committee members do not. Recognising the financial pressures being faced by the Council, and the number of councillors receiving a Special Responsibility Allowance, the Panel is recommending that the 'Member of the Licensing Committee' Allowance is removed with effect from 2017/2018.
- 4.13. The Panel revisited its previous deliberations on the introduction of a Special Responsibility Allowance for the Chair of the Health and Wellbeing Board. Consideration was given to the length of time the Board has been operating, and how it has been successfully embedded into the Council's governance process. The Panel determined that it was minded to recommend that a Special Responsibility Allowance be created for this position, to be paid at the same multiplier rate as the other Committee Chairs.

- 4.14. The Panel reaffirmed its support for the Council paying just the single, highest rate payable to a Councillor holding more than one post that attracts a Special Responsibility Allowance.
- 4.15. The Panel also wished to acknowledge that the increases it is proposing are modest amounts when applied over two years, and when considered within the overall Council budget.
- 4.16. The Panel also wished to express its agreement with the guidance provided by the Government which sets an expectation that the proportion of Councillors receiving a Special Responsibility Allowance should not exceed 50% of the total number of Councillors i.e. 28 councillors in Swindon. Should these recommendations be adopted, the number of posts attracting a Special Responsibility Allowance will be reduced from 40 to 26.
- 4.17. The Panel agreed that, should these recommendations be adopted, it would reconvene in two years' time to review the impact of the changes and to make recommendations for 2019/2020 and future years if appropriate.

#### Travel, Subsistence and Dependant Care Allowances

- 4.18. The Panel, having considered the current travel, subsistence and dependant care allowances as set out in the Councillors' Allowances Scheme, and having taken into account comments made by Councillors when interviewed, or submitted in written form through the Survey, determined that it was minded to recommend the following:
- 4.18.1. *Travel Allowance*
- That the current rates of 45p per mile for car travel, 16.5p per mile for motorcycle travel, and 30p per mile for pedal cycle travel be reaffirmed, and that increases in mileage rates should remain linked specifically to increases in the Inland Revenue rates.
- 4.18.2. *Subsistence Allowance*
- That Councillors' and co-optees' subsistence and overnight allowances should continue to be linked to those paid for Council officers.
- 4.18.3. *Dependant Care Allowance*
- That the rate is set at £7.70 per hour or the national minimum wage (whichever is greater).
- 4.19. The Panel noted comments made by Councillors regarding the payment of travel allowances for journeys within the Borough. This is an issue that has been considered by the Panel over a number of reviews and, given the small budget amounts in question, the Panel believes that this is not an area on which it needs to make recommendations as part of this review.

## **5. Financial Summary**

- 5.1. The total allocation for Councillors' Allowances and support for 2016/2017 is £683,500. From this, £453,663 is set aside for the payment of Councillors' Basic Allowances (£7,959 x 57) and £195,391 is set aside for Special Responsibility Allowances. The remainder is made available for Mayoral Allowances and other Allowances such as Travelling and Subsistence (as specified in the Scheme of Allowances).
- 5.2. The Panel's recommendations, if approved, would require an allocation in 2017/2018 of £461,130 for Basic Allowance (£8,090 x 57) and an allocation of £193,038 for Special Responsibility Allowances. This is an increase of £5,114 across both budgets against the 2016/2017 amounts.
- 5.3. The Panel's overall recommendations, if approved, would require an allocation in 2018/2019 of £468,540 for Basic Allowance (£8,220 x 57) and an allocation of £218,241 for Special Responsibility Allowances. This is an increase of £37,727 across both budgets against the 2016/2017 amounts, and an increase of £32,613 against the proposed 2017/2018 allocations as set out in the paragraph above.
- 5.4. A summary of the financial proposals can be found at Appendix B. It must be noted that these figures do not account for any potential percentage increases if the Basic Allowance is index linked to the Local Government Officers Pay Settlements for a period of four years as proposed.

## **6. Conclusions**

- 6.1. The Panel believes that it has arrived at a series of recommendations that reflect how Councillors should be remunerated, given their current roles and responsibilities.
- 6.2. The Panel considers it important to reflect that the allowances paid at Swindon Borough Council are significantly lower than at comparable authorities, and the Council has been placed in a difficult 'catch-up' position as a result of previous decisions not to adopt increases. By proposing an increase up to the median amounts paid by comparator authorities, the Panel hopes to address this disparity.
- 6.3. In recommending an increase to the allowances, the Panel has been motivated by not wishing to see allowances for Swindon Borough Council fall to such a level that they become a disincentive for citizens who may be considering standing for election and fail to retain talented people once they are elected.
- 6.4. The Panel acknowledges that any increase proposed for the Councillors' Allowances Budget in 2017/2018 and 2018/2019 has to be balanced against the financial pressures being faced by the Council. The Panel, however, believes an increase is justified and appropriate given the workload and responsibilities associated with being a Councillor and serving local citizens.

**7. Appendices**

<b>Appendix A</b>	Recommendations for 2017-2018 and future years
<b>Appendix B</b>	Summary of financial proposals
<b>Appendix C</b>	Comparison of Family Group Special Responsibility Allowances
<b>Appendix D</b>	Other Swindon Allowances
<b>Appendix E</b>	Summary of themes from March 2016 interviews
<b>Appendix F</b>	Results from Councillor Survey January 2016